



## HAWAII VITAMIN SETTLEMENT FUND APPLICATION GUIDELINES

### I. INTRODUCTION:

An agreement has been reached to settle an antitrust suit brought by the Hawaii State Attorney General and others alleging that certain manufacturers, marketers and distributors of bulk vitamins, vitamin premixes and other vitamin products conspired to fix prices and allocate market share in the bulk vitamin industry. To settle these claims, the companies have agreed to pay a total of \$225,250,000 for distribution in 21 states, Puerto Rico, and the District of Columbia. The Hawaii share of these funds will be distributed to organizations as approved and ordered by the Circuit Court of the First Circuit, State of Hawaii based upon a plan of distribution prepared and recommended by the Hawaii State Attorney General. This plan may be amended or disapproved by the Court. Entities interested in applying for these funds must complete a Vitamin Settlement Fund Application. The purpose of these guidelines is to assist you in completing the Vitamin Settlement Fund Application.

### II. GENERAL ELIGIBILITY:

- A. **Focus of Distribution.** The settlement agreement requires that the Hawaii State Attorney General recommend a distribution of Hawaii's share of the consumer portion of the settlement -- approximately \$1.1 million -- to benefit, as closely as possible, Hawaii consumers who purchased vitamins or products containing vitamins such as nutritionally enhanced food. Specifically, the settlement agreement requires that this fund be used "for the improvement of the health and/or nutrition of the citizens of [the State of Hawaii] and/or the advancement of nutritional, dietary or agricultural science."
- B. **Organizational Eligibility.** Pursuant to the settlement agreement, applications are invited from Hawaii not-for-profit corporations, charitable organizations and political subdivisions. A copy of the organization's "Certificate of Good Standing" or the equivalent should be included with the application. Applications from a not-for-profit corporation representing an alliance of not-for-profit corporations and charitable organizations wishing to apply for funds must demonstrate substantial activity and physical presence within the State of Hawaii.

### III. EVALUATION CRITERIA:

In developing the plan of distribution for submission for court approval, the Hawaii State Attorney General's Office will evaluate qualified applications based on the following criteria:

1. **Significance/Effectiveness.** The proposal must effectively benefit Hawaii consumers who purchased vitamins or products containing vitamins. Specifically, the settlement agreement requires that the funds be used "for the improvement of the health and/or nutrition of the citizens of [the State of Hawaii] and/or the advancement of nutritional, dietary or agricultural science." Only proposals which advance these objectives will be considered.
2. **Approach.** The strategy to improve the health or nutrition of the people of the State of Hawaii or advance nutritional, dietary or agricultural science must be feasible and creative. The application should describe other efforts to achieve these improvements or advancements and explain the reasons the proposed approach is suitable. The application also should assess potential obstacles to successful completion and outline reasonable solutions and/or approaches to overcome such obstacles.
3. **Organizational Capacity.** Applicants must demonstrate experience in the design and implementation of the type of program or program activity for which they are applying and the management and financial capabilities to implement effectively a project of the size and scope delineated in the project description. The project narrative should reflect clear roles and responsibilities for staff. The application should document the past accomplishments of the organization, the experience of its staff, and past efforts, if any, to launch and accomplish similar initiatives.
4. **Impact/Support.** Consideration will be given to the numbers of people affected by the proposal. Where possible, the application should provide an indication of support from those affected by the proposal. The application should demonstrate that the results of the project are sustainable after the project is completed and the fund award agreement expires. The proposal should describe key performance indicators to measure the project's success.
5. **Fiscal Implications.** The budget should be appropriate to the scope of the proposed project. The application should address the availability of additional and/or alternative sources of funding, private and public.

#### IV. OTHER IMPORTANT ITEMS:

1. The Hawaii State Attorney General may request additional information.
2. In general, it is anticipated that the Hawaii State Attorney General will recommend a plan of distribution to the Court which, taken as a whole, has a statewide impact.

3. The source of the Vitamin Settlement Fund is a one-time settlement payment.

**V. ACTIVITIES/PROJECTS THAT WILL NOT BE FUNDED:**

Applications will not be considered for:

- \$ Activities which are fully funded;
- \$ Expenses incurred in development of the application;
- \$ Ongoing general operating expenses or existing deficits; and
- \$ Endowment or capital costs, acquisition or construction of buildings.

**VI. DURATION OF THE FUND:**

A vitamin settlement fund generally will be for a maximum period of one year, although a term up to two years may be considered, especially, but not exclusively, for a larger fund.

**VII. AGREEMENT REQUIREMENT:**

Successful applicants will be required to enter into an agreement governing the fund's terms and conditions.

**VIII. AWARDS, PAYMENT AND PERFORMANCE:**

Before any distribution of monies is made, the Court must approve the distribution plan as a whole. Once the Court gives final approval, funds can be disbursed. The use of the funds will be monitored by the Attorney General's office or its agents. All recipients will be required to document project expenditures, using generally accepted accounting principles. Recipients will be required to submit interim and final progress reports.

Should the recipient fail to comply substantially with the vitamin settlement fund requirements, funding may be suspended, terminated or subjected to other appropriate sanctions.

**IX. APPLICATION DUE DATE:**

All applications must be received by the close of business, Thursday, December 6, 2001.

**X. CONTACT/INFORMATION:**

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